GOVERNMENT OF INDIA
FINANCE
LOK SABHA

UNSTARRED QUESTION NO:3511
ANSWERED ON:25.08.2006
NORMS FOR INVESTMENT
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Will the Minister of FINANCE be pleased to state:

(a) rules tramed for the investment in India in collaboration with a foreign company :

(f) whether the Government have received report regarding violation of these rules :

(g) if so, the details thereof for the last two years~

(h) the action taken by the Government so far in this regard: and

(i) the outcome thereof ?

Answer

Minister of state in the Ministry of Finance (SHRI PAWAN KUMAR BANSAL)

(a) Investments of a foreign company in India through Joint venturesIWholly Owned Subsidiaries are regulated by Foreign Exchange Management Act (FEMA), 1999 and RuleslRegulations Notification, Orders issued there under.

(b),(c),(d) and (e): Section 13 of the FEMA, 1999 provides for imposition of penalty after adjudication for contravention of the provisions of the Act or Rules/Regulations Notification, Orders issued there under. The Directorate of Enforcement is empowered to investigate such contraventions.No investigation in respect of foreign companies for violation of Rules has been carried out during the last two years.